



2017 ECONOMIC BENEFITS OF THE FOREST INDUSTRY IN GEORGIA

2017 ECONOMIC ACTIVITY

Economic activity is measured by output, employment, and compensation generated directly by Georgia's forest industry.

Output: \$21.3 billion in total revenue was generated by the forest industry in 2017, up 2.7% from 2016.

Figure 1 shows the output by sector from 2008-2017.

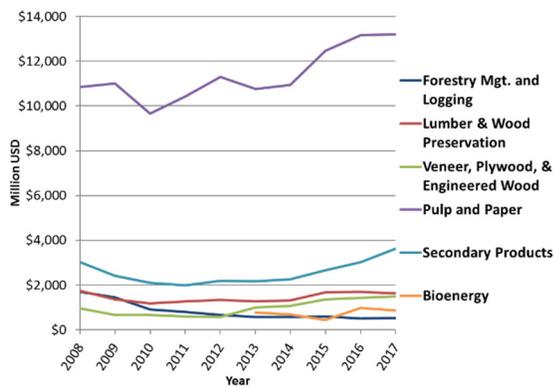


Figure 1. Economic activity by forest sector in 2017 real dollars, 2007-2016 Bioenergy sector was first tracked in 2012; \$100 million.

Compensation: Including wages and salaries, forest industry workers earned \$3.84 billion, an increase of 2.5% from 2016. Across all manufacturing industries, the forest products industry ranked second (to food processing) in total compensation.

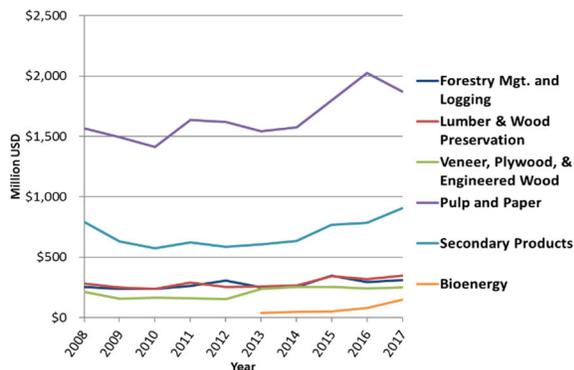


Figure 2. Compensation paid to forest industry workers in 2017 real dollars.

Employment: In 2017, Georgia's forest industry provided 53,933 jobs, up 3.9% from 2016 (2,033 jobs gained). This is the seventh consecutive year of positive job growth. Across all manufacturing industries, forestry ranks second in total employment (to food processing).

Pulp and Paper: Georgia's pulp and paper industry continued to dominate all sectors within the forest industry. Georgia's 12 pulp mills represented 62% of total revenue output (Figure 3), 36% of employment, and 49% of compensation. In 2017, pulp and paper increased its output and employment by 0.3% and 1.4%, respectively. Compensation decreased by 7.5%.

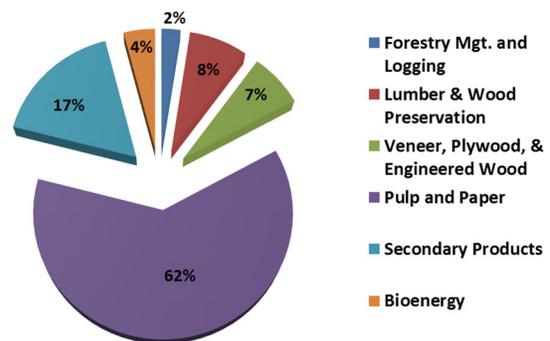


Figure 3. Revenue sharing by forest industry sector in 2017 real dollars.

2017 TOTAL ECONOMIC IMPACTS

Total economic impact of the forest industry includes dollars brought into the state, which recirculate through all major industry sectors (multiplier effect).

Total Output: In 2017, the total impact of the forest industry was approximately \$35.9 billion, a 1.9% increase from 2016.

Total Employment: The forest industry supported 147,380 jobs in 2017 (2,843 jobs gained). Total employment supported by the forest industry increased 2.0%.

Total Compensation: In 2017, the forest industry provided \$8.7 billion in wages and salaries, up 2.1% from 2016.

All metrics have realized gains for seven consecutive years. Gains were modest in 2017, compared to significant increases in the prior two years for output and compensation and the past year for employment. Average annual growth over the past five years is 5.5%, 4.2%, and 5.9%, respectively.

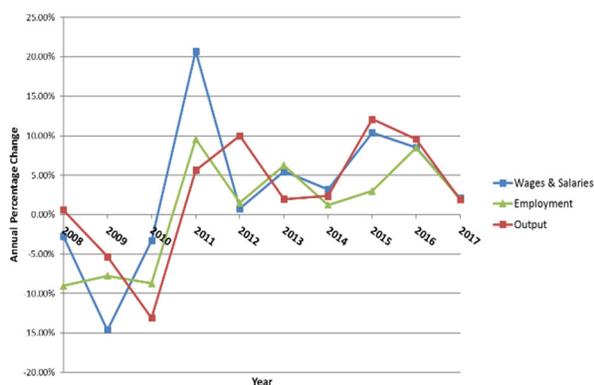


Figure 4. Year-to-year percentage change in total output, employment, and compensation supported by the forest industry in 2017 dollars.

FISCAL IMPACTS

The forest industry provided the state with \$970 million in tax revenue for 2017. Net state revenue generated by the forest industry was \$97 million. The economic model calculated state expenses differently in 2017. Therefore, it is not a comparable measure to previous reports.

ECONOMIC IMPACT BY REGION

Local economies are impacted by the forest industry by supporting employment, bringing in additional dollars, and recirculating the dollars across local businesses. In regions where forestry is a large proportion of the local industry, all economic support is generally dependent. *Figure 5* shows Georgia's 12 regional commissions.



Figure 5. Georgia's 12 Regional Commissions

Employment by Region

The Atlanta Regional Commission, Southern Georgia, and Southwest Georgia are the top three commissions in terms of employment, accounting for 41% of the forestry related jobs in Georgia. However, Heart of Georgia Altamaha, Southwest Georgia, and Southern Georgia have the three highest employment percentages compared to total employment at 5.3%, 3.8%, and 3.8%, respectively.

Compensation by Region

The three regions with the greatest dependency on forest based compensation compared to total compensation are Heart of Georgia Altamaha, Southwest Georgia, and Southern Georgia with 10.4%, 6.7%, and 6.4%, respectively. The Atlanta Regional Commission provided the most compensation at \$955.5 million; however, that accounted for only 0.7% of the region's total compensation.

REFERENCE

2017 Economic Benefits of the Forest Industry in Georgia. Enterprise Innovation Institute. Georgia Institute of Technology, December 2018.